

5. Cost Proposal

SECTION 5: COST PROPOSAL

All subsections of Section 5 require a response. The Offeror must indicate certification of understanding for the Section and the Offeror must restate the subsection number and the text immediately prior to the written response.

 X MAXIMUS has read, understands, and will comply will each requirement in this section.

MAXIMUS has:

- Restated the subsection number and the text immediately prior to our written response
- Responded to all Section 5 subsections
- Indicated certification of understanding for the Section

5.1 Estimated Budget

5.1 ESTIMATED BUDGET

DPHHS has established the following estimated budget amount for the Provider Services module. This estimate is based on the amounts approved in the DPHHS modularity I-APD but the estimated budget does not represent a budgeted amount for Option A or Option B Services or a maximum budget for Provider Services. Table 5.1 outlines the Provider Services module estimated budget:

Table 5.1 Estimated Provider Services Module Budget by Phase and Duration

Phase	Duration in Months	Total Amount
DDI, Integration, Implementation & Certification	19 (7 month DDI / 12* month Certification)	\$3,796,875
Operations and Maintenance (Base years)	48	\$2,347,917
Operations and Maintenance (Optional years)	60	3,110,990
System Enhancement Hours (1,500 DDI Hours)		\$180,000
System Enhancement Hours (500*9 Operations years)		\$562,500
Total Estimated Budget		998,282

*The 12 months of Certification overlaps the first 12 months of Operations

 X MAXIMUS has read, understands, and will comply will each requirement in this section.

We understand that DPHHS has established the above estimated budget amount for the Provider Services module, the estimate is based on the amounts approved in the DPHHS modularity I-APD, and the estimated budget does not represent a budgeted amount for Option A or Option B Services or a maximum budget for Provider Services.

5.2 Price Schedules

5.2 PRICE SCHEDULES

Offerors must complete the Price Schedules provided in Attachment G. Offerors shall propose a firm fixed price for each of the fields contained on the pricing schedules. These schedules serve as the representation of Offeror's price. Offeror should include additional information as necessary to explain the Offeror's price. No cost information shall be included in the technical proposal. The requirements and schedules are detailed in Table 5.2 Pricing Schedule List:

Table 5.2 Pricing Schedule List (These schedules are provided in Attachment G, Provider Pricing Schedules).

List of Schedules	
Schedule	Title
Schedule A	Cost Summary

Schedule B	DDI Payment Milestone by Phase
Schedule B-1	Provider Services Base Scope of Work Design Development & Implementation (DDI) Payment Milestones By Phase
Schedule B-2	Provider Services Option A Scope of Work Design, Development and Implementation (DDI) Payment Milestones By Phase
Schedule B-3	•Provider Services Option B Scope of Work Design, Development and Implementation (DDI) Payment Milestones By Phase <u>Note: Schedule B - DDI Payment Milestone by Phase calculations shall be based on a hypothetical scenario for a Participating State that has 65,000 Total Providers or 65,000 Total Owners.</u>
Schedule C	Cost of Operations
Schedule D	Enhancement Pool Hours
Schedule E	Resource Hourly Rates
Schedule F	Provider Services Base Scope of Work Cost
Schedule F-1	Provider Services DDI Cost
Schedule F-2	Provider Services Operations Cost
Schedule F-3	Provider Services DDI Enhancement Pool Hour Cost
Schedule F-4	Provider Services Operations Enhancement Pool Hour Cost
Schedule G	Provider Services Option A Scope of Work Cost
Schedule G-1	Provider Services DDI Cost
Schedule G-2	Provider Services Operations Cost
Schedule G-3	Provider Services DDI Enhancement Pool Hour Cost
Schedule G-4	Provider Services Operations Enhancement Pool Hour Cost
Schedule H	Provider Services Option B Scope of Work Cost
Schedule H-1	Provider Services DDI Cost
Schedule H-2	Provider Services Operations Cost
Schedule H-3	Provider Services DDI Enhancement Pool Hour Cost
Schedule H-4	Provider Services Operations Enhancement Pool Hour Cost

All schedules must be completed in full at the time of submittal. Montana state law dictates a contract limit of 10 years. The Contract term will include DDI and operations years for the MPATH project.

The preferred technical standards for the State of Montana Department of Public Health and Human Services (Department) have been provided in the procurement library. The Department does not have excess licenses for these components. Therefore, if the Contractor chooses to include any of these components in their solution, the Contractor shall include the costs of these components in their proposal.

Schedule A: This is a summary of the all-inclusive cost of the proposal. These totals should be taken from Schedules F (tabs F-1 thru F-4). Cost summary for Option A services should be taken from Schedule G (tabs G-1 thru G-4). Cost summary for Option B services should be taken from Schedule H (tabs H-1 thru H4). Offerors are only required to complete Schedules G-1 thru G-4 and/or H-1 thru H-4 if choosing to bid on services outlined in Option A and/or Option B.

Schedule B: This schedule represents the percentage of the total cost for Design, Development and Implementation. Do not include operations costs in this schedule. This schedule reflects payment milestones for each phase of the project. The offeror must complete matrix B-1 and if applicable matrices B-2 and B-3 by inserting a percentage dollar amount for each payment milestone/phase such that the total percentages by phase are within the minimum and max percentage for each phase. Offerors are only required to complete Schedules B-2 and/or B-3 if choosing to bid on services outlined in Option A and/or Option B. Schedule B - DDI Payment Milestone by Phase calculations shall be based on a hypothetical scenario for a Participating State that has 65,000 Total Providers or 65,000 Total Owners.

Schedule C: This schedule represents the total cost of operations including four base years and five optional years. This will be completed as an attachment to a Participating Addendum. Schedule C does not need to be completed as a part of the Offeror's proposal submission. Operations year one begins the first day of the month following the implementation of the MPATH module.

Schedule D: This schedule represents the cost for enhancement pool hours for both the DDI and Operations phases of the proposal. This will be completed as an attachment to a Participating Addendum. Schedule D does not need to be completed as a part of the Offeror's proposal submission. Operations year one begins the first day of the month following the implementation of the MPATH module.

Schedule E: This schedule represents the hourly rates for resources in both the DDI and Operations phases.

NOTE: Offerors are only required to complete Schedules G-1 thru G-4 and/or H-1 thru H-4 if choosing to bid on services outlined in Option A and/or Option B. Schedules F, G and H can be completed automatically or manually. Offerors completing Schedules F-H manually must enter values in each field highlighted in green and orange. Offerors completing Schedules F-H using the automated formulas must enter values in each field highlighted in green and blue. All other fields are protected and must not be changed. Offerors must use only Providers throughout all schedules and worksheets in schedules F, G, and H or use only Owners consistently throughout the schedules and worksheets in F, G, and H to compute cost. Examples have been provided in workbook tabs labeled Example F-1 Prov Svcs DDI Costs, Example F-2 Prov Svcs Ops Cost, Example F-3 Prov Svcs DDI Hour Pool and Example F-4 Prov Svcs Ops Hour Pool. The examples provided are for demonstration purposes only and do not represent the State's expected costs for offerors cost proposal.

Schedule F (includes tabs F-1 thru F-4): This schedule represents the Provider Services Base Scope of Work Cost by Providers or Owners. Offerors must use only Providers or use only Owners consistently throughout the entire Schedule to compute cost. The Offeror must complete Schedule F based on the number of Providers or by the number of Owners for each tab (F-1 thru F-4) of Schedule F. Schedule F will only be considered complete and valid if the Offeror completes each tab for the same pricing method selected (Providers or Owners) and when all of the green and all of the orange highlighted cells have a value in the Provider Section of F-1 thru F-4 or the Owner Section of F-1 thru F-4. The base and variable costs identified in tabs F-1 thru F-4 must include the costs necessary to support the technology detailed in Attachment L - Technology Matrix.

Schedule G (includes tabs G-1 thru G-4): This schedule represents the Provider Services Option A Scope of Work Cost by Providers or Owners. Offerors are only required to complete Schedules G-1 thru G-4 if choosing to bid on services outlined in Option A. Offerors must use only Providers or use only Owners consistently throughout the entire Schedule to compute cost. The Offeror must complete Schedule G based on the number of Providers or by the number of Owners for each tab (G-1 thru G-4) of Schedule G. Schedule G will only be considered complete and valid if the Offeror completes each tab for the same pricing method selected (Providers or Owners) and when all of the green and all of the orange highlighted cells have a value in the Provider Section of G-1 thru G-4 or the Owner Section of G-1 thru G-4. The base and variable costs identified in tabs G-1 thru G-4 must include the costs necessary to support the technology detailed in Attachment L - Technology Matrix.

Schedule H (includes tabs H-1 thru H-4): This schedule represents the Provider Services Option B Scope of Work Cost by Providers or Owners. Offerors are only required to complete Schedules H-1 thru H-4 if choosing to bid on services outlined in Option B. Offerors must use only Providers or use only Owners consistently throughout the entire Schedule to compute cost. The Offeror must complete Schedule H based on the number of Providers or by the number of Owners for each tab (H-1 thru H-4) of Schedule H. Schedule H will only be considered complete and valid if the Offeror completes each tab for the same pricing method selected (Providers or Owners) and when all of the green and all of the orange highlighted cells have a value in the Provider Section of H-1 thru H-4 or the Owner Section of H-1 thru H-4. The base and variable costs identified in tabs H-1 thru H-4 must include the costs necessary to support the technology detailed in Attachment L - Technology Matrix.

Cost proposals will be evaluated for all offerors who passed the minimum score in Step 2 of the evaluation process for the Base Provider Services scope of work.

NOTE: The following information is provided to help the Offeror understand how a Participating Entity will use Schedules F, G, and H to determine DDI cost and annual Operations cost.

 X MAXIMUS has read, understands, and will comply with each requirement in this section.

MAXIMUS has completed the Price Schedules provided in Attachment G where we proposed a firm fixed price for each of the fields contained on the pricing schedules. These schedules serve as the representation of our price. We included additional information as necessary to explain our price. We did not include any cost information in our technical proposal.

We completed all schedules in full with our submittal. We understand that Montana state law dictates a contract limit of 10 years and that the Contract term will include DDI and operations years for the MPATH project.

We have reviewed the preferred technical standards for the State of Montana Department of Public Health and Human Services (Department) in the procurement library. We understand that the Department does not have excess licenses for these components, and if we choose to include any of these components in our solution, we included the costs of these components in our proposal.

We understand and have followed all the requirements for each Schedule A through H.

DDI Costs

DDI Costs

The State will use the following method to compute State Specific Total DDI Costs:

1. Determine the number of total active de-duplicated providers (Total Providers) by computing the total active de-duplicated providers on the last day of each month. Then compute an average of the monthly active de-duplicated providers over the first twenty-four (24) months of the last twenty seven (27) months. This will be completed as an attachment to a Participating Addendum.
2. Determine the net active de-duplicated providers (Variable Providers)
 - a. Variable Providers = the total active de-duplicated providers (Total Providers) minus the 25,000 active de-duplicated providers included in base (Base Providers).
3. Identify the applicable Group using the Total Providers and select the corresponding Group Variable Rate.
4. Calculate the total variable DDI Costs (Variable DDI Costs) by multiplying the Variable Providers by the Group Variable Rate.
5. Calculate the Total DDI Costs by adding Base DDI Cost plus Variable DDI Costs.

 X MAXIMUS has read, understands, and will comply will each requirement in this section.

Operations

Operations

Each year, the State will use the following method to compute State Specific Total Monthly Operations Costs:

1. Determine the number of total active de-duplicated providers (Total Providers) by computing a twenty four (24) month average of the monthly total active de-duplicated providers for the first twenty four (24) of the last twenty seven (27) months. This will be completed as an attachment to a Participating Addendum.
2. Determine the net active de-duplicated providers (Variable Providers)
 - a. Variable Providers = Total Providers minus the 25,000 active de-duplicated providers included in base (Base Providers).
3. Identify the applicable Group using the Total Providers and select the corresponding Group Variable Rate.
4. Calculate the total variable monthly operations costs (Variable Monthly Operations Costs) by multiplying the Variable Providers by the Group Variable Rate.
5. Calculate the Total State Monthly Operations by adding Base Operations Cost plus the Variable Monthly Operations Costs.

A similar method will be used to determine the cost of System Enhancement pool hour cost for DDI and System Enhancement pool hour cost for each year of Operations.

5.2.1 Adjusting DDI and Operational Costs One or More Years After the Effective Date of the Master Agreement

For Participating Addenda signed one year or more years after the effective date of the Master Agreement, the base cost and the initial variable rate for DDI and Operations will be adjusted using the Consumer Price Index Urban (CPI-U) to account for economic changes that may impact cost.

For DDI costs outlined in Attachment G – Provider Pricing Schedules, Schedule F-1 Provider Svcs

DDI Cost, Schedule G-1 Provider Svcs DDI Cost, Schedule H-1 Provider Svcs DDI Cost:

For (Tab F-1 Provider Svcs DDI Cost: for Provider pricing cell C11 and cell C17 and for Owner pricing cell C29 and cell C35), (Tab G-1 Provider Svcs DDI Cost: for Provider pricing cell C11 and cell C17 and for Owner pricing cell C29 and cell C35), (Tab H-1 Provider Svcs DDI Cost: for Provider pricing Cell C11 and cell C17 and for Owner pricing Cell C29 and cell C35) can be adjusted using the inflation factor derived by utilizing the CPI-U calculation noted below. If a Participating Addendum is signed one year or more following the effective date of the Master Agreement, the cells noted above will be multiplied by the CPI-U inflation factor E. The CPI-U adjustment only applies to the cells referenced and only occurs at the initiation of the Contract. Following the execution of a Participating Addendum the cost will receive additional CPI-U adjustments.

For Operation costs outlined in Attachment G – Provider Pricing Schedules, Schedule F-2 Provider Svcs Ops Cost, G-2 Provider Svcs Ops Cost, and H-2 Provider Svcs Ops Cost:

For (Tab F-2 Provider Svcs Ops Cost: for Provider pricing cell C11 and cell C25 and for Owner pricing cell C36 and cell C50), (Tab G-2 Provider Svcs Ops Cost: for Provider pricing cell C11 and cell C25 and for Owner pricing cell C36 and cell C50), and (Tab H-2 Provider Svcs Ops Cost: for Provider pricing cell C11 and cell C25 and for Owner pricing cell C36 and cell C50) can be adjusted using the inflation factor derived by utilizing the CPI-U calculation noted below. If the Participating addenda is signed one year or more following the effective date of the Master Agreement, the cells would be multiplied by CPI-U inflation factor E. The CPI-U adjustment only applies to the cells referenced and only occurs at the initiation of the

Contract. Following the execution of a Participating Addendum the cost will receive additional CPI-U adjustments. CPIU for United States Adjustment Factor Calculation:

CPI-U Index for the month and year of the execution of a Participating Addendum: A

Less the CPI-U Index for the month and year of the Effective Date of the Master Agreement: B

Equals Index Point Change: C

Divided by CPI-U Index B: $C/B = D$

Equals: D

Result multiplied by 100: $D*100 = E$

Equals CPI-U Inflation Percentage: E

 X MAXIMUS has read, understands, and will comply will each requirement in this section.

5.3 Payments

5.3 PAYMENTS

During the DDI phase of the Contract, the Contractor will be paid for each successful payment milestone identified in Attachment G, Pricing Schedule B – DDI Payment Milestones, based on the approval and acceptance of the milestone by DPHHS. The Contractor will submit an invoice for each milestone after DPHHS acceptance. The Department shall pay such invoices within 30 calendar days following receipt of an acceptable invoice.

During operations, Contractor may submit monthly invoices equal to 1/12 of the fixed price proposed for that contract year as identified in Attachment G, Pricing Schedule C – Cost of Operations. The Contractor will submit an invoice at the beginning of the month following the month for which services were performed. The Department shall pay such invoices within 30 calendar days following receipt of an acceptable invoice.

Enhancement pool hours for both the DDI and Operations phase will be paid for each enhancement upon acceptance and approval by DPHHS. The Contractor will submit a monthly System Enhancement Pool Report itemizing the hours for accepted and approved enhancements during the previous month. The Department shall pay for associated hours in the approved System Enhancement Pool Report within 30 calendar days based on the proration of rates provided in Attachment G, Pricing Schedule D – Enhancement Pool Hours.

 X MAXIMUS has read, understands, and will comply will each requirement in this section.

During the DDI phase of the Contract, we understand that we will be paid for each successful payment milestone identified in Attachment G, Pricing Schedule B – DDI Payment Milestones, based on the approval and acceptance of the milestone by DPHHS. We will submit an invoice for each milestone after DPHHS acceptance. The Department shall pay such invoices within 30 calendar days following receipt of an acceptable invoice.

During operations, we understand that we may submit monthly invoices equal to 1/12 of the fixed price proposed for that contract year as identified in Attachment G, Pricing Schedule C – Cost of Operations. MAXIMUS will submit an invoice at the beginning of the month following the month for which services were performed. The Department shall pay such invoices within 30 calendar days following receipt of an acceptable invoice.

Enhancement pool hours for both the DDI and Operations phase will be paid for each enhancement upon acceptance and approval by DPHHS. MAXIMUS will submit a monthly System Enhancement Pool Report itemizing the hours for accepted and approved enhancements during the previous month. The Department shall pay for associated hours in the approved System Enhancement Pool Report within 30 calendar days based on the proration of rates provided in Attachment G, Pricing Schedule D – Enhancement Pool Hours.